

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

Call to Order: By **CHAIRMAN BILL GLASER**, on March 26, 2003 at
3:00 P.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Sen. Bill Glaser, Chairman (R)
Sen. Bob Story Jr., Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. Edward Butcher (R)
Sen. Royal Johnson (R)
Sen. Don Ryan (D)
Sen. Tom Zook (R)

Members Excused: Sen. Mike Cooney (D)
Sen. Jim Elliott (D)
Sen. Jeff Mangan (D)

Members Absent: None.

Staff Present: Tari Elam, Committee Secretary
Connie Erickson, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SJR 28, 3/24/2003
Executive Action: SJR 28; HB 630

HEARING ON SJR 28

Sponsor: SENATOR JOHN BOLLINGER

Proponents: Peggy Trenk, Director of Government Affairs,
Montana Association of Realtors

Opponents: Dave Puyear, Executive Director, Montana
Rural Education Association (MREA)
Bob Vogel, Director of Government Relations.
Montana School Boards Association (MTSBA)
Lynda Brannon, Montana Association of School
Business Officials (MASBO)

Informational Witnesses: Darrell Rud, Executive Director, School
Administrators of Montana (SAM)

Opening Statement by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 1 - 6.2}

SENATOR JOHN BOLLINGER, SD 7, Billings, brought forward a resolution requesting the Legislative Council designate an appropriate interim committee or assign sufficient staff resources to study the organization of public school districts in Montana. **SEN. BOLLINGER** stated in December of last year he requested a bill draft which would have proposed the consolidation of school districts because there was perhaps a good deal of waste in spending. Upon reflection, however, he realized the project may be too great a task for the legislature to accomplish during the session. Accordingly, in order to afford the issue the amount of respect and consideration appropriate, he decided to request a resolution seeking an interim study. He noted there are presently 441 school districts in the state, of which 342 are administrative units with superintendents. He wonders if all those positions are necessary. While he remains uncertain, he would like an answer to the question because the issue of limited resources is a fact and a public dialogue on the most cost efficient organization is desirable. He believes the interim committee will have the opportunity to develop thoughtful policy considerations that remove barriers to consolidation. **SEN. BOLLINGER** outlined various facets of the issue the interim committee might address in their efforts; for example, they might find a regional service center with shared employees provides a mechanism for reducing costs and increasing efficiency.

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 6.3 - 8.0}

Peggy Trenk, Director of Government Affairs, Montana Association of Realtors, conveyed the support of her organization's members, and appreciation to **SEN. BOLLINGER** for his efforts. She stated the impact of property taxes affects an individual's ability to purchase and maintain a home. **Ms. Trenk** also explained property values are enhanced or devalued by the types of schools available in an area, and this resolution may help to identify how schools can become more efficient. She urged the Committee support the resolution.

Opponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 8.1 - 32.1}

Dave Puyear, Executive Director, MREA, expressed his reluctant opposition to the bill due to his personal feelings about, and experiences with, **SEN. BOLLINGER**. However, **MREA** believes **SJR 28** is the wrong vehicle for the discussion because the resolution is written in a manner which will most certainly lead to a highly charged, political discussion. He believes the process will absorb a tremendous amount of resources for a topic that has been studied time-and-time again. He referred to **Project SEEDS**, to former Governor Racicot's study, and to 2001 discussions on school funding, as examples of the continuing dialogue on consolidation. He stated the public is solidly against reorganization of public schools; referring specifically to a recent newspaper study. **Mr. Puyear** alluded to the assertion that Montana has too many highly paid administrators, and explained in small districts this same person is also the bus driver, janitor, the side-walk shoveler, activity director, and principal. He stated another misconception is that consolidation and closing schools will save money. He stated this information is quite simply inaccurate and has never been proven anywhere in a United States study. He also explained the concept of "diseconomies of scale." He referred to voter dissatisfaction and disenfranchisement being the result of consolidation, and how conflicts existing in current law present challenges to districts who desire to consolidate. **Mr. Puyear** believes **HB 736** more appropriately addresses the issue, and would prefer Senate support for that measure if indeed this is the direction we should take.

Mr. Puyear provided the Committee with **MREA's** Research Synthesis on the resolution **EXHIBIT (eds64a01)**.

Bob Vogel, Director of Government Relations, MTSBA, stated although he agrees with much of **SEN. BOLLINGER's** opening remarks, his organization is in opposition to the resolution. He, too, believes the more appropriate vehicle for addressing the issue is **HB 736**. He spoke to the central concerns for **MTSBA**, specifically referring to **Project SEEDS** and how its' ideas have come to fruition. **Mr. Vogel** provided the Committee with a copy of the final **Project SEEDS** report **EXHIBIT(eds64a02)**.

Lynda Brannon, MASBO, conveyed the opposition of her organization to the resolution. She stated she provided the in-depth research for **Project SEEDS**. As a strong advocate for school consolidation, she was uniquely surprised by the project's findings. Rather than costs being reduced, districts realized higher costs for salaries, transportation, and so forth. **Ms. Brannon** thinks what really needs to be studied is how schools are supposed to meet all the various requirements demanded of them. She also expressed her support of **HB 736**.

Informational Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 1 - 6.0}

Darrell Rud, Executive Director, SAM, stated he was present at the behest of **SEN. BOLLINGER**. He provided the Committee with an "Administrative Trivia" list to demonstrate how many administrative positions actually exist **EXHIBIT(eds64a03)**. He briefly outlined the contents of the exhibit, placing particular emphasis on the actual number of superintendents. **Mr. Rud** also alluded to an exhibit he previous provided the Committee, and requested they review that material.

Questions from Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Counter: 6.2 - 24.4}

SENATOR ROYAL JOHNSON asked for a definition of a "non-operating administrative district." **Mr. Rud** replied currently there are some districts that continue to be legal entities although they are not operating a school because there are no children. He stated he believes the district could reopen if there were a change in population trends.

SEN. JOHNSON inquired whether **Mr. Puyear** had indicated not many districts want consolidation to happen and most would prefer things remain on a local basis. **Mr. Puyear** replied his comments were specifically related to the newspaper poll of the general public, not districts. He reiterated testimony regarding small

districts that are currently considering consolidation and are experiencing a number of challenges. **SEN. JOHNSON** inquired whether **Mr. Puyear** was aware of any studies showing most people would prefer schools stay within the community's control. **Mr. Puyear** responded, although not referred to in his testimony, it may well be likely such studies exist. **SEN. JOHNSON** asked if **Mr. Puyear** thought local communities would be willing to pay to keep the schools as presently organized. **Mr. Puyear** stated he believes communities have repeatedly done so, year-after-year, when presented with levy decisions. **SEN. JOHNSON** continued with a line of questioning regarding the cost of educating children, salaries paid to administrator, and so forth.

SENATOR TOM ZOOK, referring to **Mr. Puyear's** response regarding the costs of education being higher in rural schools, asked if that is only true in some cases. **Mr. Puyear** replied in the affirmative, noting there is wide divergence in funding levels and cost per student. **SEN. ZOOK**, referring to the "foundation program," asked if that program recognized economies of scale. **Mr. Puyear** replied in the affirmative.

SEN. ZOOK, referring to **SEN. BOLLINGER's** proposal of one school district per county, asked if he understood why communities would be opposed to consolidation when the majority of the valuation lies outside the city limits, but only fifteen percent (15%) of the people. **SEN. BOLLINGER** replied the resolution does not suggest any type of conclusion or foregone consideration. The resolution simply requests the study not be limited to current organization patterns. He reiterated his beliefs regarding the various aspects of the issue which should be studied.

SENATOR BOB STORY, referring to **Mr. Puyear's** testimony regarding statutory impediments to consolidation, asked if **MREA** would locate each problem and present a bill to the legislature so the difficulties can be taken care of. **Mr. Puyear** replied discussion on the difficulties began in November, but there will be a bill brought forward in the future.

SEN. ZOOK inquired whether a school district which has no school operating for three years must consolidate with another district. **SEN. STORY** replied that is his understanding, and provided an example of a school in Big Timber.

SENATOR DON RYAN, referring to public perceptions, asked **Mr. Puyear** if it were not possible the study could assist in changing those negative perceptions. **Mr. Puyear** replied he believes the question of public perception would be better addressed by **HB**

736. SEN. RYAN asked for the status of **HB 736. Mr. Puyear** stated the bill just passed in the House.

SENATOR EDWARD BUTCHER, referring to **Mr. Puyear's** testimony on impediments faced by small school, asked if there were also impediments to small schools trying to meet accreditation standards. **Mr. Puyear** replied in the affirmative.

SEN. JOHNSON inquired which organization provided the catalyst for **Project SEEDS. Mr. Vogel** stated, while not a part of the organization at the time, he believed the project was begun by **MTSBA** in agreement with former Governor Ted Schwinden and others. **SEN. JOHNSON** requested additional information on the project's beginnings; **Mr. Vogel** replied in the affirmative.

Closing by Sponsor:

{Tape: 1; Side: B; Approx. Time Counter: 24.6 - 30.1}

SEN. BOLLINGER expressed his appreciation to the Committee, and to each of the interested parties who came forward to provide testimony. He stated this type of broad-based discussion is important to understanding all that is being contemplated by the resolution. In reference to **Ms. Trenk's** testimony, he stated it provided a strong summation for his thoughts on the resolution's necessity. He also referred to testimony in opposition which suggested the issue has been studied enough; to which, he responded then why does the negative, top-heavy perception continue to exist. He believes those critics should be answered, and those answers are most easily derived by honest evaluation of the underlying issues. **SEN. BOLLINGER** also responded to the assertion that small schools find the resolution's proposal to be offensive, emphasizing study of the issues is very important and in no manner is intended to direct blame. He believes the resolution is an appropriate direction to take in order to protect the interest of children.

EXECUTIVE ACTION ON SJR 28

{Tape: 2; Side: A; Approx. Time Counter: 3.1 - 28.6}

Motion: **SEN. STORY** moved that **SJR 28 BE INDEFINITELY POSTPONED.**

Discussion:

SEN. JOHNSON sought clarification on **HB 736**.

Connie Erickson explained **HB 736** is a bill from the Governor's office requesting a K-12 Public School Renewal Commission which will be composed of legislators, the Governor, the Superintendent of Public Instruction, and other members at the Governor's discretion. She stated the Commission is administratively attached to the Board of Public Education and has a fairly broad mandate to evaluate public school issues. The bill has an appropriation to fund the study.

SEN. JOHNSON asked for additional information on the funding for the bill.

Ms. Erickson stated there is a core membership, and provided the positions forming the core. She stated there is a \$10,000 allocation to fund the study, and noted the Commission may accept donations. Discretionary members appointed by the Governor may be reimbursed for expenses. She outlined the mandate of the Commission.

SENATOR MIKE COONEY stated during his last campaign a group of local citizens brought candidates together once a week for public discussions. He stated the question of consolidation was ever present. While uncertain whether the issue is one of perception or reality, it is out there and needs to be addressed. He noted his own experience throughout Montana has been one in which the school provides the lifeblood of the community. He stated since he had just become familiar with **HB 736**, he would prefer to see how the bill comes out before dismissing **SJR 28** because he believes the issue is important.

SEN. BUTCHER stated he believes large schools desire consolidation, but small school do not. He does not believe one environment provides a better education than another; however, the addition of a poor teacher will. He reiterated his thoughts on interim studies, generally, and stated he does not believe anything of value will arise from this one because the issue has been studied. All we will have is another opinion. He expressed his support of the motion.

SEN. STORY stated he did not have any concern with waiting until a later date to decide on the resolution. He also stated his agreement with **SEN. BUTCHER** regarding the majority of advocates for consolidation are from larger cities. **SEN. STORY** believes studies, at a minimum, serve the purpose of educating legislators.

SEN. RYAN expressed his agreement with **SEN. STORY** regarding the amount of learning that occurs. He stated this resolution will be placed on a list to be voted upon by the body. He also provided an example of an underfunded study. **SEN. RYAN** believes the goal of this resolution is important and therefore should be placed before the entire body.

SEN. ZOOK offered his own experience with committees. He also discussed how erroneous perceptions can be, and conveyed his support for the motion.

SEN. COONEY expressed his thoughts on consolidation.

Vote: Motion that SJR 28 be INDEFINITELY POSTPONED failed 4-6 with **BLACK, BUTCHER, STORY, and ZOOK** voting AYE; **SENS. ELLIOTT and MANGAN** voting NO via proxy.

Motion/Vote: **SEN. RYAN** moved that SJR 28 DO PASS. Motion carried 6-4 with **BLACK, BUTCHER, STORY, and ZOOK** voting NO; **SENS. ELLIOTT and MANGAN** voting AYE via proxy.

EXECUTIVE ACTION ON HB 630

{Tape: 2; Side: B; Approx. Time Counter: 3.2 - 6.5}

Motion/Vote: **SEN. ZOOK** moved that HB 630 BE INDEFINITELY POSTPONED. Motion carried 6-4 with **COONEY, ELLIOTT, via proxy, MANGAN, via proxy, and RYAN** voting NO; **SENS. BLACK and BUTCHER** voting AYE via proxy.

ADJOURNMENT

Adjournment: 5:00 P.M.

SEN. BILL GLASER, Chairman

TARI ELAM, Secretary

BG/TE

EXHIBIT (eds64aad)